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DIRECTORATE OF INTELLIGENCE

SPOT COMMENTARY

25 January 1991
2300 EST

IRAQ-KUWAIT: SITUATION REPORT #508

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Approved for Release
Date OCT

Pages: 1

Exemptions: (b)(1) (b)(3)

France and EC Smoothing Relations with Israel

President Mitterrand is sending a special Foreign Ministry envoy to Israel to soothe relations damaged by France's last-minute attempt to link a resolution of the Gulf crisis to a broader solution of the Palestinian issue, according to press reports. The Israeli Ambassador to France reportedly told Mitterrand that Israeli officials are furious over French Middle East diplomacy. The EC yesterday lifted restrictions on scientific cooperation with Israel that were imposed in January 1990 to protest the closure of universities in the Israeli-occupied territories, according to press reports.

Comment: In addition to showing support for Israel in the wake of Iraqi missile attacks, Mitterrand and EC Commissioner Matutes almost certainly hope to convey appreciation for Israel's policy of restraint. More importantly, Mitterrand probably wants to assure Israeli officials that French ideas for a Middle East peace conference are intended to foster regional stability and will not jeopardize Israeli security concerns.

Germany Boosting Aid to Coalition

A Foreign Ministry spokesman told reporters today that Bonn is increasing its aid commitment to the anti-Iraq coalition from $2.2 to over $3.35 billion. Bonn also will begin to provide direct cash payments to the US and the UK to defray the costs of the Gulf war. According to Israeli media reports, Foreign Minister Genscher and his Israeli counterpart today discussed sending German Patriot air defense missile batteries, but Genscher denied afterwards that any formal deal had been struck. Bonn also will probably sell Saudi Arabia $33.5 million in spare parts for Tornado aircraft, according to the German press.

Comment: Bonn's desire to show more visible support for the coalition may have been bolstered by increasing impatience among moderate and conservative Germans with the anti-American tone of the domestic "peace" movement. Germany, which has only the original antiaircraft version of the Patriot, could send the missiles to Israel within a week, possibly accompanied by civilian technicians. [redacted]

Venezuelan President Pushing Peace Initiative

President Carlos Andres Perez will host a Rio Group ministerial on Monday and will offer a Persian Gulf peace proposal to the group for endorsement. A Foreign Ministry official said the draft stresses that Iraq must comply with the UN Security Council resolutions and relevant provisions of international law. [redacted]

Comment: The Rio Group's main concern is the Gulf war's effect on the price of oil and the consequences for Latin America. The group's members, including Venezuela, generally support the allied stand against Iraq, but the outcome of the meeting on Monday cannot be guaranteed. [redacted]